



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
PHILADELPHIA DISTRICT OFFICE
MELLON INDEPENDENCE CENTER
701 MARKET STREET
SUITE 2000
PHILADELPHIA, PENNSYLVANIA 19106-1532

KINGDON KASE
SENIOR TRIAL COUNSEL
(215) 597-0794
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April 11, 2006

VIA FACSIMILE (215) 580-2141
and FIRST CLASS MAIL

Honorable Jan E. DuBois
12613 United States Courthouse
601 Market Street
Philadelphia, Pennsylvania 19106

Re: SEC v. Michael A. Liberty, et al.
Civil Action No. 06-1030 (E.D. PA) (JD)

Dear Judge DuBois,

I am writing in response to your Order, issued March 14, 2006, in which you directed the parties to file a supplemental status report on or before April 20, 2006. As Your Honor knows, only one defendant in this case, Michael A. Liberty, has not consented to the Court's entry of a Final Judgment against him. Consents to the entry of Final Judgments have been executed by all of the other defendants. Those Consents, together with the respective Final Judgment Orders, were previously submitted to the Court.

Counsel for the Commission and Mr. Liberty have conferred and are continuing to explore the possibility of settlement. Pursuant to those settlement discussions, Mr. Liberty has agreed to submit to Commission counsel, by April 24, 2006, financial disclosure forms and supporting documentation, and subsequently to submit to a financial deposition, in order to permit Commission counsel to evaluate his financial condition. Commission counsel expects that it will need approximately sixty days from receipt of Mr. Liberty's financial information to evaluate that information and to conduct Mr. Liberty's financial deposition. In addition, Commission counsel has agreed to an extension of time until June 23, 2006 for Mr. Liberty to file an answer to the Complaint.

FILED

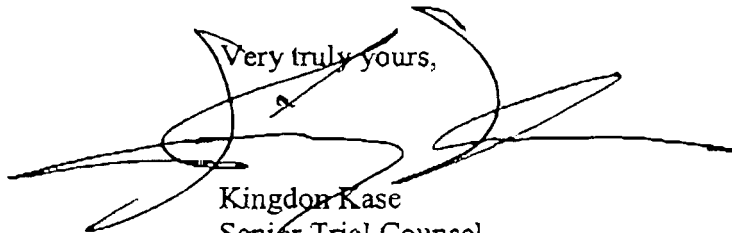
APR 12 2006

MICHAEL E. KUNZ, Clerk
By Dep. Clerk

Honorable Jan E. DuBois
April 11, 2006
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I am available to discuss this matter further if Your Honor would like. Thank you for your consideration.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'Kingdon Kase', is written over the closing 'Very truly yours,'. The signature is stylized with large, sweeping loops and a long horizontal stroke extending to the right.

Kingdon Kase
Senior Trial Counsel

cc: Daniel Horwitz, Esquire (via facsimile)

**U.S. SECURITIES AND EXCHANGE COMMISSION****Mellon Independence Center****Suite 2000****701 Market Street****Philadelphia, PA 19106****(215) 597-3100****FAX (215) 597-2740****(if busy, (215) 446-4271)****DATE: April 11, 2006****Page 1 of 3 Page(s)*****Please deliver the following pages immediately to:***

Name: HONORABLE JAN E. DuBOIS
Firm: 12613 UNITED STATES COURTHOUSE
601 MARKET STREET
City/State: PHILADELPHIA, PA 19106

Phone Number:
Fax Number: (215) 580-2141

From: KINGDON KASE, SENIOR TRIAL COUNSEL

Phone Number: 215 - 597 - 0794

**Description
of Materials:** SEC files Complaint in Eastern District of PA,
SEC v. MICHAEL A. LIBERTY, ET AL.,
Civil Action No. 06 - 1030 (E.D. PA)

Remarks: SUPPLEMENTAL STATUS REPORT

If there is any imperfection in the transmission, please call the individual identified below.

Sent by: Carol A. Rudnick, Paralegal Specialist**Phone:** 215-597-3543**Fax:** 215-597-2740

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